

# High gold grades make Impact

Exploration success changes the Commonwealth picture. **Ngairé McDiarmid reports**

**J**UST SHY OF ITS 10TH BIRTHDAY, meticulous explorer Impact Minerals (ASX:IPT) is set to celebrate with strong financial backing and a possible emerging company-making discovery at Silica Hill.

Until recently, Silica Hill was an exploration target near Impact Minerals' established 110,000 ounce gold-equivalent resource at its 100%-owned Commonwealth project in New South Wales.

Now Impact Minerals managing director Dr Mike Jones believes Silica Hill could be shaping up as a company-making project in its own right, as high-grade results continue to emerge from the latest drilling programme.

Highlights include over 0.5kg of silver per tonne and thick zones of gold, silver and base metal mineralisation.

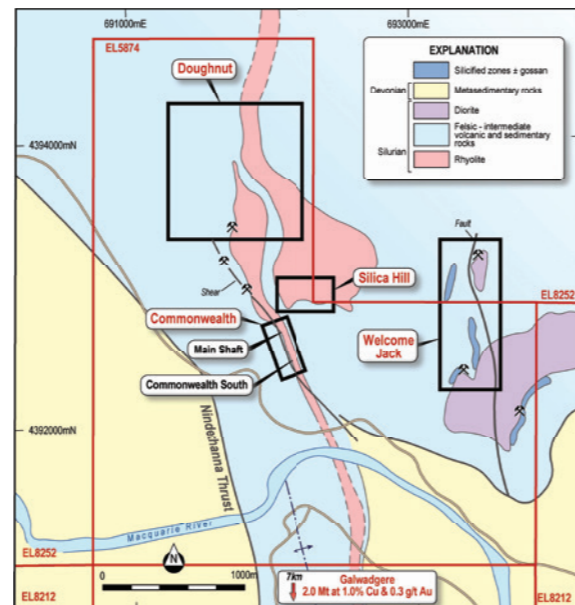
Importantly, there is also the possibility that Silica Hill links into the higher-grade portion of the Commonwealth gold-silver-zinc-lead resource, at depth where recent assays returned 7m at 17g/t gold equivalent.

Commonwealth, 95km north of Orange, is one of Impact's three main projects, along with the Broken Hill platinum project also in NSW and the Mulga Tank nickel-gold project in Western Australia.

Impact's potential at Commonwealth and Broken Hill garnered the support of the Andrew Forrest-backed Squadron Resources in a deal last year worth up to A\$7.3 million. Squadron is the private mining investment vehicle of the Munderoo Group and represents the selected philanthropic and commercial interests of the WA mining identity and his wife Nicola.

Jones said the investment during the industry downturn was a milestone achievement and was soon followed by Impact's announcement of some of Australia's highest-grade drilling results of platinum group metals at Broken Hill.

*Geology of the central Commonwealth Project showing the four main prospects. Impact believes they are all part of one large system*



Impact has also continued to enjoy strong support from its long-term major investor, the German Bunnenberg family.

Jones said Impact had long wondered what lay beneath Silica Hill and the newly discovered high-grade 50m wide zone of mineralisation had been untouched for two years, only a few metres below an earlier RC drill hole.

"That hole returned 20m at 44g/t silver and visually it didn't look that exciting at the time," Jones said.

"We always knew we had to get back there so we've deepened the hole and literally 2m lower, we've discovered some massive sulphide veins."

The results add to high-grade results announced earlier in August from Silica Hill, including 1m at more than 0.5kg of silver per tonne, along with gold, zinc and lead



mineralisation, within a 75m thick mineralised zone.

The first 60m of this 75m zone returned an overall intercept of 0.4g/t gold, 51g/t silver, 0.2% zinc and 0.1% lead – or 1.3g/t gold equivalent – from 99m.

Jones had been on site the day before speaking with Mining Journal and was enthused by the visual mineralisation and the figures being revealed.

"There are some pretty encouraging widths and increasing grades in gold and silver and base metals," he said.

"But the story really is that within these zones, we've got narrow high-grade veins containing up to 0.5kg of silver and narrower gold veins carrying at least 5gpt, these are exciting figures.

"Also, there is mineralisation in the wall rock surrounding these veins so those types of deposits give lots of options in any mining scenario.

"The secret here is that the high-grade veins are similar to the high-grade massive sulphides at Main Shaft and there's the strong chance they're somehow related at depth."

The increasing promise of the overall Commonwealth project is not the product of good fortune but a result of the company's geological skills and deal making, having gained up to 100% of the projects within three years.

"We've been a classic case of a junior that's worked hard, plugging away and finally getting a bit of success," Jones said.

"Anyone looking from the outside might think we're lucky, but we've been making our own luck in all of this by staying active during the



*Drilling at Commonwealth*

recent downturn and delivering good results."

He said the company also stood by its motto: 'Excellence in Exploration'. "We do pride ourselves on the quality of our technical work we do here, within the constraints of a junior's budget," Jones said.

"We do a lot of things most juniors wouldn't do or consider, such as experimental geophysics and high-level sophisticated rock geochemistry, to name two.

"That's to push the boundaries and give ourselves the best chance of understanding the system we're in, because the quicker you understand this, the quicker you get to discovery."

At the time of going to press, Impact had \$3 million in the bank to fund ongoing exploration and was also waiting on potential further investment from Squadron.

Impact has spent \$2.5 million on exploration in NSW, which triggers the option for Squadron to earn up to 19.9% of both the Commonwealth and Broken Hill projects by investing \$1 million in each.

Jones said regardless of whether Squadron took up the farm-in option, it was fantastic to have the group as a cornerstone investor to help progress the project.

"There is a significant benefit to having them behind us to allow us to find further funding to develop the project," he said.

He said the company believed equally in Commonwealth, Broken Hill and Mulga Tank, and also continued to assess other opportunities.

"All my training from Western Mining days has led me to believe our projects each have the technical merits to host a significant deposit," Jones said.

Impact was recently awarded \$150,000 by the WA government's Exploration Incentive Scheme to test a number of targets at Mulga Tank, 200km east of Kalgoorlie.

The company has previously identified three different styles of nickel-copper mineralisation but the area has been poorly explored for gold to date, although Jones points out it is in the same geological terrane as Gold Road Resources'

recently discovered 6 million ounce Gruyere deposit.

Meanwhile, exploration at Broken Hill has revealed bonanza grades which Jones said were the highest-grade drill intercepts of platinum group elements (PGE) ever seen in Australia.

"Even though platinum has been known about in Broken Hill for 100 years, we produced the best results ever seen in that time just by the way we focused our exploration with a high level of technical input and expertise," he said.

A standout assay of 4.2m contained 11.8g/t PGE (including rare metals osmium, iridium, rhodium and ruthenium), 2.6% copper and 0.5% nickel.

Despite these exciting results, Jones believes the Silica Hill prospect at Commonwealth is becoming the biggest story.

The project lies about 120km north of Newcrest Mining's Cadia-Ridgeway operations that contain 43Moz gold, 8.4M tonnes of copper and 55Moz silver.

"The system at Commonwealth is enormous and we see the potential to increase the resource significantly," Jones said.

"In the latest campaign, our biggest intercept was at Main Shaft where our first successful attempt at downhole EM surveys returned 7m at 17.7g/t gold equivalent about 30m away from the nearest drill hole.

"We believe the four main prospects, Commonwealth, Silica Hill, Welcome Jack and Doughnut are all linked as part of one massive system covering 5 or 6sqkm.

"This is huge and the results so far at Silica Hill show we are relatively high up in the system, which means if we drill in the right direction, it could grow significantly at depth."

Impact had EM crews on site in mid-August for further surveys and was planning a major drill-out later this year.

"We're aiming to get to half a million ounces minimum in a gold equivalent resource," Jones said.

"That's not to say I don't think it's going to get bigger.

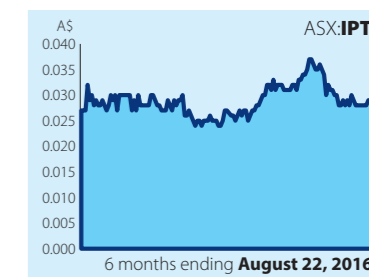
"Then we have a development project and we are on our way." ■



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– DR MIKE JONES  
MANAGING DIRECTOR

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### QUOTED SHARES ON ISSUE

788.8 million

### MARKET CAP

A\$22.9 million

### MAJOR SHAREHOLDERS

Bunenberg (21%)  
Squadron Resources (6%)  
Directors (7%)  
Top 20 (56%)